

26 July 2021

DanCann Pharma A/S has carried out a directed issue of shares of approx. DKK 6.375 million and warrants, in combination with obtaining a loan facility of SEK 13.7 million

COPENHAGEN, Denmark, 26 July 2021 - DanCann Pharma A/S (Publ) (SS: DANCAN) ("DanCann Pharma" or the "Company") hereby announces that based on the resolutions to issue shares and warrants on the Extraordinary General Meeting on 23 July 2021, the Company has issued a total of 1,702,339 new shares at price of DKK 3.745 per share (which corresponds to the closing price as of 22 July 2021), where the Board of Directors and Executive Management participate, which adds the Company a total of DKK 6,375,259.555, and a total of 1,702,339 new warrants, this in combination with obtaining a loan facility of SEK 13,700,000, which secure DanCann Pharma financing a total of approx. DKK 16.326 million (based on current currency exchange rate) for growth and pace to initiate 10x production capacity for commercial size production for export to the German market. The warrants are issued free of charge and each warrant gives the right to subscribe for 1 share at an exercise price of DKK 4.8685 on the terms set out in Schedule 7.1 to the Company's articles of association.

The issue was subscribed by a consortium of private investors led by Jinderman & Partners AB (www.jinderman.se) and Xignotus Capital ApS (owned by Founder, CEO and Board Member Jeppe Krog Rasmussen) who together subscribed for more than DKK 4.5 million in the directed issue of shares. Many of the other members of DanCann Pharma's Board of Directors and Executive Management team (in addition to CEO Jeppe Krog Rasmussen) also participated in the directed issue of shares, including Carsten Trads (Chairman), Magnus Østergaard Dahlmann (Board of Directors), Per Wester (Board of Directors), Christian Carlsen (Board of Directors) and John Morell Frellsen (CCO). The full subscription list is set out below.

Background, value drivers and motive for the directed issue of shares

Based on a strong interest and demand from the German market combined with continuously high prices for the biomaterial, DanCann Pharma continues to invest in its first facility, BIOTECH PHARM1. Thus, the Company can take BIOTECH PHARM1 from proof of concept to a project in commercial scale, which amounts to a 10x production capacity. The funds from the directed issue of shares and the loan facility enables DanCann Pharma to expand earlier than expected and prognosed which will result in a faster go-to-market with larger volumes for DanCann Pharma.

The total financing from the directed issue of shares and the loan facility will secure the capital in the same size as the outstanding warrants (TO1 DANCAN).

DanCann Pharma CEO, Jeppe Krog Rasmussen, comments:

"The capital injection from our directed issue of shares in combination with the loan facility means a significant strengthening of our financial position, which creates security and focus for the workflow in the Company for best performance. The financing will largely be used to invest in our first facility (BIOTECH PHARM1) and take it from the current setup (proof of concept, expected approved by end-2021) to a commercial scale project, which is expected to be operational during the beginning-2022 and approved in the mid of 2022 for sales to large export markets.

The progress of our facility (BIOTECH PHARM1) is going as planned, and during the autumn, DanCann Pharma's Executive Management team and Board of Directors intend to make a decision on behalf of DanCann Pharma which German partner(s) will be responsible for the purchase and distribution of the biomaterial and substances (output from BIOTECH PHARM1) to the German market.

With this investment we consider our target to be a well-proportioned size of capacity. We expect to be able to supply approximately 2,500 kilograms of dried biomaterial - at extremely competitive prices, cf. our heavy investments in engineering and automation - which in comparison can supply more than 25% of the current German market for this segment.

I am truly overwhelmed by the interest and trust in DanCann Pharma. With a very exciting pipeline, we are humble for the future and welcome it, and by this we still have a positive intuitive feeling that our warrants from the IPO (TO1 DANCAN) can be exercised in September. I am very honored by the trust and belief in the project from both lenders and investors, new and old. Thanks."

The directed issue of shares and warrants and loan facility

In order to strengthen the Company's financial position, the Company has carried out a directed issue of shares and warrants. The purpose of the directed issue of shares is that the Board of Directors finds it favorable for the Company to raise a total of DKK 6,375,259.555 in combination with a loan facility of SEK 13,700,000, cf. to support the Company's ambitions for growth and pace. In the event that the warrants issued today are fully exercised as well, it will bring in additional DKK 8,287,837.4215.

The new directed issue of shares entails a share dilution of approx. 7.59 percent in relation to the total number of shares after the issue. The issue of shares entails that the number of shares in DanCann Pharma increases by 1,702,339 from 20,730,800 shares to a total of 22,433,139 shares, and the share capital increases by nominally DKK 63,837.7125 from nominally DKK 777,405 to a total of nominally DKK 841,242.7125. The full set of terms applicable for the capital increase are set out in the minutes of the EGM of 23 July 2021 (which can be found on www.dancann.com/investor-relations-ir/general-meetings). The total costs of the issue of shares and fully exercised warrants are approx. DKK 0,8M. The issue is carried out without pre-emption rights for the existing shareholders in order to limit the costs related to the issue, and because the below persons are strategically beneficial investors for the Company.

Company assesses that the issue of shares and warrants is carried out at market price, as the subscription price of the shares is market price as at the date of the issue, and that the warrants can be exercised at market price as at the date of the issue plus 30%.

A total of 1,702,339 warrants are issued, each giving the right to subscribe for 1 share of nominally DKK 0.0375 at an exercise price of DKK 4.8685. The full set out terms applicable for the warrants are set out in the new Schedule 7.1 to the articles of association (which can be found on www.dancann.com/investor-relations-ir/general-meetings).

Through the capital increase and the new loan facility, DanCann Pharma receive a total of DKK 6,375,259.555 and SEK 13,700,000, which enables DanCann Pharma to initiate its ambitions for growth and pace, cf. the development and acceleration of BIOTECH PHARM1 towards commercial size output for export to the German market.

The loan facility of SEK 13.7 million has been granted by Modelio Equity AB (Publ) and Gerhard Dal. The loan is paid out on 1 October 2021 and has a term of 1 year, with a monthly interest rate of 1.50%.

The shares and warrants have been subscribed for as follows:

- (i) Xignotus Capital ApS, CVR-no. 40 23 51 32 (owned by CEO and board member, Jeppe Krog Rasmussen), has subscribed for 267,023 shares, equivalent to a subscription amount of DKK 1,000,001.135, as well as 267,023 warrants
- (ii) Magnus Østergaard Dahlmann (board member) has subscribed for 20,267 shares, equivalent to a subscription amount of DKK 75,899.915, as well as 20,267 warrants
- (iii) Morellco Holding ApS, CVR-no. 32 07 37 35 (owned by CCO John Morell Frellsen) has subscribed for 25,000 shares, equivalent to a subscription amount of DKK 93,625, as well as 25,000 warrants
- (iv) C-Plus Consult, CVR-no. 37 27 78 35 (owned by chairman of the board of directors Carsten Trads) has subscribed for 26,703 shares, equivalent to a subscription amount of DKK 100,002.735, as well as 26,703 warrants
- (v) Per Wester (board member) has subscribed for 18,425 shares, equivalent to a subscription amount of DKK 69,001.625, as well as 18,425 warrants
- (vi) Jinderman & Partners AB, org. no. 559193-1745, has subscribed for 934,580 shares, equivalent to a subscription amount of DKK 3,500,002.10, as well as 934,580 warrants

- (vii) Kent Ternrud has subscribed for 58,745 shares, equivalent to a subscription amount of DKK 220,000.025, as well as 58,745 warrants
- (viii) Visima Invest AB, org. no. 559065-4389, has subscribed for 39,119 shares, equivalent to a subscription amount of DKK 146,500.655, as well as 39,119 warrants
- (ix) Marcus Kinnander has subscribed for 173,566 shares, equivalent to a subscription amount of DKK 650,004.67, as well as 173,566 warrants
- (x) KCM Invest AB, org. no. 559063-6170, has subscribed for 53,405 shares, equivalent to a subscription amount of DKK 200,001.725, as well as 53,405 warrants
- (xi) Thomas Johansson has subscribed for 66,756 shares, equivalent to a subscription amount of DKK 250,001.22, as well as 66,756 warrants
- (xii) Carlsen Holding ApS, CVR-no. 39 54 55 78 (owned by board member Christian Carlsen) has subscribed for 18,750 shares, equivalent to a subscription amount of DKK 70,218.75, as well as 18,750 warrants

Advisers

Corpura Fondkommission AB is the financial advisor of DanCann Pharma in connection with the directed issue of units and the loan facility. Andersen Partners Advokatpartnerselskab is acting as legal advisor. Nordic Issuing is acting as issuing agent. For additional information about the directed issue of shares, please contact:

Corpura Fondkommission AB
E-mail: info@corpura.se
www.corpura.se

About DanCann Pharma

DanCann Pharma A/S (SS: DANCAN) was founded in 2018 and is a Danish biopharmaceutical Company powered by cannabinoids. DanCann Pharma is a vertically integrated, licensed production and distribution Company based in Denmark. The Company focuses on discovering, developing, manufacturing, and commercializing new therapeutic cannabinoids in a wide range of disease areas.

DanCann Pharma A/S (SS: DANCAN) is listed on the Spotlight Stock Market in Copenhagen. For more information, please visit: www.dancann.com

For further information, please contact:

Jeppe Krog Rasmussen, CEO
E-mail: jkr@dancann.com
Website: www.dancann.com